

## Message Text

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ORIGIN NEA-16

INFO OCT-01 ISO-00 AID-20 TRSE-00 L-03 EB-11 SS-20 CIAE-00

INR-11 NSAE-00 RSC-01 IGA-02 SAM-01 SSO-00 INRE-00

PER-05 A-01 M-02 /094 R

DRAFTED BY NEA/ARP:FMDICKMAN/AID/GC:ARRICHSTEIN:CEJ

APPROVED BY NEA:ALATHERTON

TREASURY - MR. PARKSY

L - MR. ALDRICH

EB - MR. BILLER

NEA - MR. SOBER

T - MR. MAW

AID/GC - MR. GARDINER

AID/D - MR. PARKER

D - MR. DUEMLING (SUBS)

S/S-O: GTWOHIE

----- 087630

O 160334Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA IMMEDIATE

C O N F I D E N T I A L STATE 179808

E.O. 11652: GDS

TAGS: EAID, SA, US

SUBJECT: TECHNICAL COOPERATION AGREEMENT WITH SAUDI ARABIA

REF: (A) STATE 89592; (B) JIDDA 3903 (C) JIDDA 4493

1. EMBASSY IS INSTRUCTED TO SUBMIT FOLLOWING REVISED  
DRAFT AGREEMENT TO MINISTRY OF FOREIGN AFFAIRS AND EXPLAIN  
THAT THIS NEW DRAFT IS IN LIEU OF ONE SUBMITTED XH EMBASSY  
ON JULY 4 (REFS A AND B). EMBASSY SHOULD ALSO FURNISH A  
COPY OF NEW TEXT TO MINISTER OF STATE FOR FINANCIAL AFFAIRS  
ABA AL KHAIL EXPLAINING THAT TECHNICAL COOPERATION AGREE-  
MENT HAS BEEN REVISED TO TAKE INTO ACCOUNT JOINT SAUDI-  
US ECONOMIC COMMISSION AND DISCUSSION WITH US WORKING GROUPS  
IN RIYADH LAST JULY. EMBASSY SHOULD ALSO EXPLAIN THAT  
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THE ORGANIZATIONAL ARRANGEMENTS UNDER WHICH THE PROGRAM

OF TECHNICAL COOPERATION WILL BE IMPLEMENTED ARE NOW BEING FORMULATED.

2. REVISED TEXT OF DRAFT AGREEMENT IMPLEMENTING PROCEDURES FOR TECHNICAL COOPERATION FOLLOWS: BEGIN TEXT: "WHEREAS, THE GOVERNMENT OF SAUDI ARABIA AND THE GOVERNMENT OF THE UNITED STATES HAVE EXPRESSED THEIR READINESS TO EXPAND COOPERATION IN THE FIELDS OF ECONOMICS, TECHNOLOGY, AND INDUSTRY, AND WHEREAS, THE GOVERNMENT OF SAUDI ARABIA AND

THE GOVERNMENT OF THE UNITED STATES WISH TO REGULARIZE PROCEDURES FOR SUCH COOPERATION; AND WHEREAS, THE SECOND

DEPUTY PRIME MINISTER AND MINISTER OF THE INTERIOR OF SAUDI ARABIA AND THE SECRETARY OF STATE OF THE UNITED STATES HAVE AGREED TO THE ESTABLISHMENT OF A JOINT COMMISSION ON ECONOMIC COOPERATION TO BE HEADED BY THE SECRETARY OF THE TREASURY OF THE UNITED STATES AND BY THE MINISTER OF STATE AND FINANCE AND NATIONAL ECONOMY FOR SAUDI ARABIA; AND WHEREAS, THIS AGREEMENT WILL PROVIDE A MECHANISM TO FACILITATE THE FURNISHING OF TECHNICAL AND ADVISORY SERVICES TO IMPLEMENT THE GOALS OF THE JOINT COMMISSION, AND OTHER MUTUAL OBJECTIVES OF THE TWO GOVERNMENTS.

IT IS HEREBY AGREED THAT:(1) THE GOVERNMENT OF THE UNITED STATES WILL MAKE AVAILABLE TO THE GOVERNMENT OF SAUDI ARABIA, FOR THE PURPOSE OF ASSISTING THE GOVERNMENT OF SAUDI ARABIA IN THE DEVELOPMENT OF ITS ECONOMIC AND HUMAN RESOURCES, ADVISORS FOR THE PROVISION OF SUCH PROFESSIONAL AND TECHNICAL ADVISORY SERVICES AS MAY BE MUTUALLY AGREED BETWEEN THE GOVERNMENT OF SAUDI ARABIA AND THE UNITED STATES GOVERNMENT. ADVISORS MAY BE FURNISHED FROM WITHIN OR FROM OUTSIDE THE UNITED STATES GOVERNMENT.

SERVICES PROVIDED UNDER THIS PARAGRAPH MAY INCLUDE TRAINING IN THE UNITED STATES OR VISITS DESIGNED TO ASSIST IN THE ACQUISITION OF SPECIALIZED TECHNICAL OR PRO-CONFIDENTIAL

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FESSIONAL KNOWLEDGE, FOR SELECTED EMPLOYEES OF THE GOVERNMENT OF SAUDI ARABIA.

(2) THE TWO GOVERNMENTS, IN CONSULTATION, SHALL ADOPT MUTUALLY AGREEABLE ORGANIZATIONAL ARRANGEMENTS TO FACILITATE COOPERATIVE IMPLEMENTATION OF THIS AGREEMENT.

(3) REQUESTS FOR SERVICES FROM THE GOVERNMENT OF SAUDI

ARABIA FOR SPECIFIC PROJECTS WILL BE RECEIVED BY THE GOVERNMENT OF THE UNITED STATES AND REVIEWED AND REVISED AS NECESSARY IN CONSULTATION WITH THE GOVERNMENT OF SAUDI ARABIA.

PROJECTS WHICH ARE MUTUALLY APPROVED BY THE TWO GOVERNMENTS SHALL BE IMPLEMENTED IN ACCORDANCE WITH THIS AGREEMENT.

(4) EACH PROJECT APPROVED FOR IMPLEMENTATION IN ACCORDANCE WITH PARAGRAPH 3 WILL BE SUPPORTED BY A MUTUALLY AGREED ESTIMATE OF ALL DIRECT AND INDIRECT COSTS OF PROVIDING THE SPECIFIED TECHNICAL OR ADVISORY SERVICES INCLUDING ADMINISTRATIVE AND SUPPORT COSTS.

(5) THE GOVERNMENT OF THE UNITED STATES MAY LOCATE SUCH PERSONNEL IN SAUDI ARABIA AS MAY BE NECESSARY TO PROVIDE ADEQUATE LOCAL ADMINISTRATIVE AND STAFF SUPPORT TO CARRY OUT THE PURPOSES OF THIS AGREEMENT. THE GOVERNMENT OF SAUDI ARABIA WILL DEFRAY ALL COSTS OF PROVIDING SUCH LOCAL ADMINISTRATIVE AND STAFF SUPPORT.

(6) (A) THE GOVERNMENT OF SAUDI ARABIA WILL ESTABLISH A DOLLAR TRUST ACCOUNT IN THE UNITED STATES TREASURY AND PROVIDE IN SUCH ACCOUNT THE FULL AMOUNT OF FUNDS NECESSARY TO COVER THE COSTS SET FORTH IN THE COST ESTIMATES APPROVED IN ACCORDANCE WITH PARAGRAPH 4. THE UNITED STATES GOVERNMENT MAY DRAW ON THIS ACCOUNT TO DEFRAY COSTS AS INCURRED BY THE UNITED STATES GOVERNMENT IN PROVIDING SUCH SERVICES.

(B) ANY FUNDS REQUIRED BY THE UNITED STATES GOVERNMENT TO PAY COSTS TO BE DEFRAYED BY THE GOVERNMENT OF SAUDI ARABIA UNDER PARAGRAPH 5, INCLUDING ANY PAYMENTS TO UNITED  
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STATES GOVERNMENT EMPLOYEES, SHALL BE DEPOSITED BY THE GOVERNMENT OF SAUDI ARABIA IN THE TRUST ACCOUNT IN SUCH AMOUNTS AND AT SUCH TIMES AS ARE MUTUALLY AGREED AND THE UNITED STATES MAY DRAW ON THE ACCOUNT FOR THIS PURPOSE IN THE AMOUNT SO AGREED.

(C) THE UNITED STATES GOVERNMENT SHALL PROVIDE TO THE GOVERNMENT OF SAUDI ARABIA A STATEMENT AT THE END OF EACH SIX MONTHS PERIOD DURING WHICH THE TRUST ACCOUNT IS OPERATIVE OF FUNDS IN THE ACCOUNT AT THE BEGINNING OF SUCH PERIOD, DISBURSEMENTS FROM THE ACCOUNT DURING SUCH PERIOD, AND THE BALANCE IN THE ACCOUNT OF THE END OF SUCH PERIOD.

(D) TO THE EXTENT NOT REQUIRED FOR CURRENT DIS-

BURSEMENT, FUNDS IN THE ACCOUNT SHALL BE INVESTED IN SPECIAL UNITED STATES GOVERNMENT SECURITIES AND DRAW INTEREST AT THE MARKET RATE. SUCH INTEREST SHALL BE PAID TO THE GOVERNMENT OF SAUDI ARABIA.

(E) ;N NO EVENT SHALL THE GOVERNMENT OF THE UNITED STATES BE OBLIGATED TO PROVIDE SERVICES UNDER THIS AGREEMENT FOR WHICH FUNDS ARE NOT AVAILABLE IN THE TRUST ACCOUNT.

(7) IF THE UNITED STATES GOVERNMENT ANTICIPATES THAT EXPENSES UNDER ANY ESTIMATE APPROVED UNDER PARAGRAPH 4 WILL EXCEED THE AMOUNT IN SUCH ESTIMATE, IT SHALL INFORM THE GOVERNMENT OF SAUDI ARABIA OF THE INCREASED ESTIMATE. UPON ITS APPROVAL OF THE ADDITIONAL ESTIMATE THE GOVERNMENT OF SAUDI ARABIA AGREES TO DEPOSIT ADDITIONAL FUNDS IN THE AMOUNT OF THE INCREASED ESTIMATE TO THE TRUST ACCOUNT IN THE UNITED STATES TREASURY TO MEET THE ANTICIPATED SHORTFALL. IF THE GOVERNMENT OF

SAUDI ARABIA ELECTS NOT TO APPROVE THE INCREASED ESTIMATE, THE UNITED STATES WILL NOT BE OBLIGATED TO PROVIDE THE SERVICES COVERED BY SUCH ESTIMATE.

(8) IF, UPON TERMINATION OF THIS AGREEMENT, THERE ARE FUNDS REMAINING IN THE TRUST ACCOUNT AFTER ALL COSTS HAVE BEEN DEFRAYED AND ALL LIABILITIES SATISFIED, SUCH FUNDS  
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SHALL BE REFUNDED TO THE GOVERNMENT OF SAUDI ARABIA.

(9) EMPLOYEES OF THE UNITED STATES GOVERNMENT WHO ARE  
(A) ASSIGNED TO PERFORM SERVICES UNDER THIS AGREEMENT, OR  
(B) ASSIGNED TO PROVIDE SUPPORT FOR SUCH PERSONNEL WILL BE ATTACHED TO THE EMBASSY OF THE UNITED STATES OF AMERICA IN THE KINGDOM OF SAUDI ARABIA AND THEY AND THEIR DEPENDENTS IN THE KINGDOM OF SAUDI ARABIA SHALL BE ENTITLED TO THE PRIVILEGES AND IMMUNITIES ACCORDED TO PERSONNEL OF THE EMBASSY OF COMPARABLE RANK AND CATEGORY. UNITED STATES CONTRACTORS AND EMPLOYEES OF SUCH CONTRACTORS PERFORMING SERVICES UNDER THIS AGREEMENT WILL BE ACCORDED THE PRIVILEGES AND IMMUNITIES OF THE TECHNICAL AND ADMINISTRATIVE STAFF OF THE EMBASSY OF THE UNITED STATES OF AMERICA IN THE KINGDOM.

(10) WHEN REQUESTED BY EITHER GOVERNMENT, REPRESENTATIVES OF BOTH GOVERNMENTS WILL MEET TO REVIEW PROGRESS TOWARD MEETING THE PURPOSE OF THIS AGREEMENT, AND TO NEGOTIATE SOLUTIONS TO ANY OUTSTANDING PROBLEMS.

(11) THE GOVERNMENT OF SAUDI ARABIA AGREES TO HOLD THE

UNITED STATES GOVERNMENT HARMLESS AGAINST ANY AND  
ALL CLAIMS THAT MAY ARISE AS A RESULT OF THE TECHNICAL  
SERVICES FURNISHED UNDER THIS AGREEMENT.

(12) THIS AGREEMENT SHALL REMAIN IN EFFECT FOR FIVE YEARS  
FROM THE DATE OF SIGNATURE, SUBJECT TO REVISION OR  
EXTENSION, AS MUTUALLY AGREED, AND MAY BE TERMINATED AT  
ANY TIME BY EITHER GOVERNMENT BY ONE HUNDRED AND EIGHTY  
DAYS ADVANCE NOTICE IN WRITING. END TEXT.

3. EMBASSY SHOULD REPORT SAG REACTION SOONEST KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TECHNICAL ASSISTANCE, AGREEMENT DRAFT, INTERGOVERNMENTAL COOPERATION, DEVELOPMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Disposition Approved on Date:**  
**Disposition Authority:** CollinP0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Enclosure:** n/a  
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**Errors:** N/A  
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**To:** JIDDA  
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